

***Effective 5/12/2015***

**16-6a-905 Court-ordered indemnification of directors.**

- (1) Unless a nonprofit corporation's articles of incorporation provide otherwise, a director of the nonprofit corporation who is or was a party to a proceeding may apply for indemnification to:
  - (a) the court conducting the proceeding; or
  - (b) another court of competent jurisdiction.
- (2) On receipt of an application described in Subsection (1), the court, after giving any notice the court considers necessary, may order indemnification in the following manner:
  - (a) if the court determines that the director is entitled to mandatory indemnification under Section 16-6a-903, the court shall:
    - (i) order indemnification; and
    - (ii) order the nonprofit corporation to pay the director's reasonable expenses incurred to obtain court-ordered indemnification; and
  - (b) if the court determines that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director met the applicable standard of conduct set forth in Section 16-6a-902 or was adjudged liable as described in Subsection 16-6a-902(4), the court may order indemnification as the court determines to be proper, except that the indemnification with respect to any proceeding in which liability has been adjudged in the circumstances described in Subsection 16-6a-902(4) is limited to reasonable expenses incurred.

Amended by Chapter 240, 2015 General Session